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Held at Headquarters, New York, on Wednesday, 19 October 2011, at 3 p.m.

Chair: Mr. Yohanna (Vice-Chair) ..... (Nigeria)

Contents

Agenda item 21: Globalization and interdependence (*continued*)

(a) Role of the United Nations in promoting development in the context of globalization and interdependence (*continued*)

(b) Science and technology for development (*continued*)

(c) Development cooperation with middle-income countries (*continued*)

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In the absence of Mr. Momen (Bangladesh), Mr. Yohanna (Nigeria), Vice-Chair, took the Chair.

The meeting was called to order at 3.15 p.m.

Agenda item 21: Globalization and interdependence (*continued*) (A/66/187)

(a) Role of the United Nations in promoting development in the context of globalization and interdependence (*continued*) (A/66/223)

(b) Science and technology for development (*continued*) (A/66/208)

(c) Development cooperation with middle-income countries (*continued*) (A/66/220)

1. **Mr. Bandarin** (Assistant Director-General, United Nations Educational, Scientific and Cultural Organization (UNESCO)), replying to questions raised at the previous meeting, said that UNESCO was proposing to organize an international conference on culture and development because culture had become an important component of the activities of United Nations agencies and organizations. The conference would inter alia help to form partnerships among United Nations agencies and public and private organizations and would spur analysis and discussion on how the bodies concerned could contribute to the attainment of the Millennium Development Goals. Culture would be viewed not as a goal in itself but as a tool for culturally sensitive development. UNESCO was actively looking for a partner who would support most of the costs of the event.

2. **Mr. Javdekar** (India) said that while, as a social and economic system, globalization had brought immense benefits to the peoples of the world. Liberalization of the economy must be accompanied by purposeful State intervention so as to enable the weak and the marginalized to benefit. Not only were the benefits of globalization unevenly shared but globalization had also brought about instability and economic disparity. The global financial and economic crisis was a manifestation of globalization at its worst. The developing world, although least responsible for the crisis, had become its main victim. Accordingly, global governance must be made democratic, accountable and transparent.

3. The global economic and financial architecture was overwhelmingly loaded against the developing world and needed urgent reform. In that context, India called for early implementation of the two-phase package of reforms of the World Bank to enhance the voice and participation of developing countries, and of the decision by the International Monetary Fund (IMF) Board of Governors to shift 6 per cent of quota shares to developing countries. The latter were in urgent need of an international environment conducive to poverty eradication. In that context, it was imperative to move forward on the Doha round, on the negotiations related to climate change and on a comprehensive reform of the Bretton Woods institutions.

4. In the area of trade, developing countries were severely affected by the massive subsidies given by developed countries and, despite existing international trade laws, they faced practical barriers such as unfavourable market access regimes and other barriers. The United Nations should take on the responsibility of combining globalization and equity.

5. **Mr. Cancela** (Uruguay) welcomed the report of the Secretary-General (A/66/220) which underscored the importance of international cooperation for middle-income countries. As one of those countries, Uruguay still faced serious challenges related inter alia to diversification of production and technological innovation. Continued support from the United Nations system was therefore crucial to its national plans for eradicating poverty. Strengthening of national institutional capacities in the areas of planning, evaluation and management of public policies was equally important.

6. The United Nations system had an essential role to play in middle-income countries; Uruguay was committed to enhancing the system's coordination. To that end, it was participating in the "Delivering as One" initiative as one of the five pilot countries. However, he expressed concern at the use of per capita income to classify countries as a means of guiding development cooperation, for it disregarded the multidimensional nature of development. Instead of a "one size fits all" approach, he called for a new approach to cooperation that would take into account the specific development needs of middle-income countries such as his own.

7. **Mr. Weisleder** (Costa Rica) said that, as the international community focused on the world's poorest countries, middle-income countries were experiencing a drastic reduction in the financial and technical support they received; as a result, many were

regressing in terms of development. Accordingly, a comprehensive system of international cooperation was needed in order to support middle-income countries throughout the development process. The most effective support mechanisms should be identified through analysis and discussion and based on national ownership, coordination, results-based management and mutual accountability. The process should be one of genuine partnership aimed at knowledge transfer and capacity-building, and the amount of aid should depend on the recipient's needs rather than on economic indicators such as per capita income.

8. It was also necessary to promote South-South and triangular cooperation. The accumulated experience of cooperation agencies and entities such as the United Nations Development Programme (UNDP) offered a broad range of options and best practices. Recipients of such assistance should participate in that process dynamically in order to ensure that support was adapted to their specific needs.

9. **Ms. Ntyam-Ehya** (Gabon) said that Gabon already used fibre optics and had acquired advanced technologies with a view to promoting development. It had established a Ministry responsible for technological innovation, had created a national centre for scientific and technological research and had established a space agency and observatory tasked with environmental monitoring.

10. On a public-private partnership basis, cell phone networks were used for disease prevention and treatment. Education policy in the areas of science and technology was gender-neutral. Lastly, Gabon was in favour of broadening the circle of partners contributing to scientific and technological capacity-building, through South-South and multilateral cooperation under United Nations guidance.

11. **Mr. Fernández-Arias Minuesa** (Spain) said that respect for cultural diversity was a cross-cutting priority of the master plan for Spanish cooperation. From a rights perspective, culture was a key to sustainable human development and the attainment of the Millennium Development Goals.

12. Almost half of the world's poor population lived in middle-income countries. Through South-South and triangular cooperation, such countries could act as engines for growth by bringing about a multiplier effect on less advanced countries in their respective regions. In order to maximize such effects, middle-income countries should continue to be backed by the developed countries. The aid provided did not necessarily have to be in the form of official development assistance (ODA) but could consist of technology transfer, technical assistance or reimbursable financial support.

13. Multilateral cooperation must be based on priorities and on the principles laid down in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action and must respect regional balances. Focusing ODA in the least developed countries should not make middle-income countries "orphans of aid", in effect penalizing them for progressing towards the Millennium Development Goals.

14. **Ms. Luna** (Mexico) said that the international community should continue its efforts to ensure the implementation of the development agenda and the fulfilment of international commitments, while promoting culture, education and scientific and technological development. Mexico was working closely with middle-income countries to attract and distribute ODA via South-South and triangular cooperation. For example, the recently created Mexican Agency for International Cooperation for Development (AMEXCID), sought to contribute to national efforts for sustainable development and to encourage such efforts abroad through, inter alia, technical training and scientific development programmes undertaken with countries of the South. Her Government considered such action as complementary to traditional forms of development assistance and the development-related activities of United Nations agencies and programmes.

15. Finally, she stressed the importance of increasing cooperation between the United Nations system and middle-income countries.

16. **Mr. Fouda Ndi** (Cameroon) said that the fact that the Secretary-General's report referred to the classification used by the World Bank showed that the United Nations had not given middle-income countries the attention they deserved. Several of those countries continued to face a variety of challenges and, given their fragile economic fabric, some of them might be downgraded to low-income category unless something was done.

17. Accordingly, United Nations agencies should provide middle-income countries with a critical mass of resources and should adapt their strategies to the

specific needs of those countries. While agreeing that agriculture, industry and trade should be central to cooperation with middle-income countries, he said that it was also important to create an environment conducive to foreign investment and policies that would be likely to create jobs for the young and the vulnerable.

18. Finally, he stressed the importance his Government attached to South-South cooperation and to the crucial role that the agencies, funds and programmes could play in strengthening it.

19. **Mr. Milanovic** (Serbia) said that middle-income countries were still facing significant challenges in their efforts to achieve the internationally agreed development goals; accordingly, international support that was compatible with their national priorities, development policies and needs was of paramount importance. There was significant diversity among middle-income countries for the methods used to classify countries were not perfect. For instance, per capita income did not reflect the multidimensional nature of development. Likewise the criterion used for measuring the Human Development Index was less than perfect. Accordingly, any review of classification methods should take into account all relevant factors.

20. Despite having liberalized its trade in industrial and agricultural products, Serbia was experiencing high unemployment. The country's economic growth depended on foreign direct investment (FDI) and loans. Moreover, de-industrialization was a serious problem. However, under the Investment Compact for South East Europe, a new tool complying with Organization for Economic Cooperation and Development (OECD) standards had been introduced to evaluate the policy environment for conducting business and attracting investment. The European Commission's recent decision to recommend that Serbia be granted European Union candidate country status would contribute to the country's stability and the fact that Serbia expected to become a member of the World Trade Organization (WTO) in the near future would further improve the business environment.

21. **Mr. Kurer** (Libya) said that although globalization presented opportunities as well as challenges, developing countries had clearly benefited. The international community had a responsibility to work towards a fair and equitable globalization in which developing countries could be effective partners. Steps should be taken to guarantee international economic stability, enable developing countries to establish strong economic institutions, and support the diversification efforts of commodity exporting countries. At the same time institutional reforms were needed that could take into account the priorities of developing countries. Many developing States were unable to put in place coherent national strategies because of their international obligations.

22. Environmentally friendly technologies had a vital role to play in combating poverty and disease, guaranteeing food security, improving education, protecting the environment and attracting investment. Action should be taken to encourage developing States' access to technology, promote their national development strategies, provide technological training and improve their service sectors.

23. There was an urgent need to bridge the digital divide in order to tackle the challenges facing the developing world. Intellectual property rights could not be used as a pretext to raise fees for the transfer and use of technology. The Commission on Science and Technology for Development must be enabled to follow up and implement its recommendations.

24. **Mr. Wolfe** (Jamaica) said that the group of middle-income countries encompassed not only major economies which, despite the financial crisis, had experienced rapid economic growth, but also smaller economies which had been upended by a confluence of crises. The persistently high poverty levels and heavy dependence on commodity exports which characterized middle-income countries in the Caribbean Community (CARICOM) were compounded by the fact that, as small island developing States, they were vulnerable to a wide range of environmental challenges, including natural disasters, and to the negative effects of climate change.

25. The most pressing challenge posed by their designation as middle-income countries was the extent to which it had curtailed their access to concessionary financing and debt relief. In that context, high debt/GDP ratios limited the range and quality of public services Governments could provide and would continue to constrain efforts to attain development goals. Quite frequently, it was the most vulnerable who were the most affected. There was, therefore, a need for system-wide harmonization of the criteria used for country classification and determining resource

allocation with a view to providing middle-income countries with increased access to concessionary financing.

26. Finally, he called on the international community to revisit its approach to the question of debt sustainability in middle-income countries, adding that the confluence of vulnerabilities in the Caribbean region constituted sufficient grounds for recognizing those countries' special needs as a group of small, vulnerable, highly indebted middle-income countries.

27. **Mr. Lakhal** (Tunisia) said that globalization had had different effects on different economies. Some States had benefited while others had seen an increase in inequality. In Tunisia, for example, youth unemployment had reached 31 per cent. In order to reduce such inequalities it was necessary to have an international environment that was conducive to sustained economic growth and job creation, together with greater coordination of policies.

28. In that connection, he supported the recommendations contained in the Secretary-General's report (A/66/223), particularly the one regarding enhancing international cooperation on migration and finding ways to improve the flow and reduce the cost of remittances.

29. In order to be equitable, globalization should respect peoples' cultural traditions and identity. Tunisia supported the organization by UNESCO of a conference on culture and development in order to examine the contribution of culture to sustainable development. Moreover, the international community should actively support the local and international marketing of cultural goods and services. Culture must be further integrated into the development-related activities of United Nations agencies and the framework programmes of the Organization, in consultation with national authorities.

30. Given that science and technology were crucial to development, he urged all stakeholders, including the developed and emerging countries and the private sector, to facilitate the access of developing countries to technology and expertise and the transfer and dissemination of such knowledge with a view to bridging the technological and numerical divide. Such technological cooperation should help to develop innovative national products and market them on an international scale.

31. **Mr. Suárez Salvia** (Argentina) underscored the importance of addressing income inequality, noting that it was difficult to evaluate the situation faced by middle-income countries — many of whose inhabitants did not fall in the middle-income category — through a single indicator. The international community should not rely on per capita GNI or other money-based variables but should identify alternative methods of measuring poverty in order to take into account the multidimensional nature of the phenomenon.

32. He fully supported the recommendation (A/66/220, para. 52) that the United Nations system should develop a more specific policy framework for middle-income countries, adding that sustainable development strategies for least developed countries should be implemented through South-South and triangular cooperation or other approaches that were compatible with the development policies and needs of the countries concerned.

33. **Mr. Hamza** (United Republic of Tanzania), endorsing the statement made by Nepal on behalf of the Group of Least Developed Countries, said that, in Africa, globalization had not only failed to produce the anticipated benefits but was, in fact, undermining achievement of the internationally agreed development goals for it was helping developed countries to have easier access to the resources of developing countries. Unfortunately, the latter did not participate effectively in working out the terms under which their resources were exploited.

34. The international community should focus on the social dimension of globalization; jobs, health and education should be viewed, not as by-products, but as key objectives of the globalization process.

35. In Africa, the external debt was still at unsustainable levels. As far as possible, new funding for development should not add to the debt and every cent generated internally should be used for the attainment of the Millennium Development Goals.

36. Moreover, as regards trade, the continent was at the mercy of the global commodity markets, the elements and the greed of multinational corporations. While an open market economy was, in theory, better than a closed one, it must translate to a better life for the population.

37. **Archbishop Chullikatt** (Observer for the Holy See) said that justice and solidarity were owed to those

living in the least developed countries. The international community must ensure that the dignity of every individual and the demands of justice were respected in all economic transactions; it must not allow existing disparities in wealth between countries to widen even further. Priority should be given to ensuring access to employment for everyone. As the Arab spring had shown, continuing inequities in access to opportunities undermined a country's social fabric. Likewise, acute poverty differentials between regions gradually eroded global stability.

38. The human consequences of current tendencies towards short-term gains must be carefully assessed. Lowering the level of protection of workers' rights or abandoning wealth distribution mechanisms in order to enhance a country's international competitiveness could have a detrimental and lasting impact on society. Continuous attention must be paid to the development model pursued and to its human impact. As Pope Benedict had recently noted, lack of material resources was not the main cause of underdevelopment. What was lacking was brotherhood and friendship among individuals and peoples worldwide. Without such fraternity, full human development across the family of nations would remain elusive.

39. **Ms. Barth** (International Labour Organization (ILO)) said that, while globalization's potential for good was immense, much remained to be done to create jobs and produce real growth. The international economy could no longer allow a financial market driven by profit to overshadow the development needs of the real economy.

40. Accordingly, policies which targeted productive investment in job-generating sustainable enterprises and placed people at the centre of development must be expanded and continued priority should be given to policies and programmes that protected the most vulnerable. Policies for a fairer and more effective globalization must be formulated based on social dialogue. Broad participation and ownership of policy frameworks was essential for equitable and sustainable development. ILO had a wealth of experience and stood ready to form partnerships with Member States, United Nations agencies and international and regional organizations in a new era of growth, development and social justice.

41. **Mr. Assaf** (United Nations Industrial Development Organization (UNIDO)) said that globalization was the major challenge and opportunity of the twenty-first century. It had led to increasing integration of global markets and could undoubtedly be a strong force for development. Moreover, lower international trade barriers and enhanced capacity-building to participate in trade had transformed the concept of industrial development. For countries with small domestic economies, effective integration into regional and global markets held the promise of greatly expanded demand for their manufactured goods. In that context, industrial production was increasingly taking place in global production networks.

42. However, increased globalization was associated with immense challenges. The report of the Secretary-General recognized the importance of diversification of production and exports. Developing countries that relied on a narrow range of exports faced far greater trade shocks than countries with manufactured exports. Developing countries must diversify and produce more manufactured exports.

43. The global challenges underscored the need for international cooperation on a range of issues. The United Nations system was in a unique position to provide Member States with a global forum for strengthening international cooperation. But developing countries needed support. Properly developed aid-for-trade schemes were an essential requirement. UNIDO would continue to call for such development challenges to be placed at the centre of the debate on globalization.

44. **Mr. Dallo** (United Nations Development Programme (UNDP)) said that, the Human Development Report 2004 had recognized, for the first time within the United Nations system, the significance of the cultural dimension of human development. It had stated that, over and above democracy and equitable growth, multicultural policies defending diversity and freedom were necessary for achieving holistic development. The world's ability to sustain human progress and chart a stable path through growing uncertainty would depend on the responses to three main challenges directly related to culture issues: reducing disparities, preventing conflict and protecting the planet. The window on culture and development established by the Millennium Development Goals Achievement Fund (MDGF) was of strategic importance. UNDP had worked with other United Nations agencies at the national level and had contributed, inter alia, to the launching of a national

report for the indigenous populations of Ecuador. It also supported various initiatives with key components in the area of culture and development.

45. **Ms. Cheikh** (World Bank) said that the World Bank supported culture as a key component of the development paradigm. Cultural considerations had been taken into account and development objectives had been set for an increasing number of projects, primarily in the areas of urban development, local economic development, social development and sustainable tourism development. The total volume of the Bank's investments in development projects with a cultural dimension had increased substantially over the past 20 years. The Bank had recently signed a memorandum of understanding with UNESCO for further cooperation in the field of culture and development.

46. **Mr. Rahman** (World Tourism Organization (UNWTO)) welcomed the report of the Director-General of UNESCO, contained in document A/66/187, and noted that sustainable tourism was a powerful tool for the preservation and promotion of cultural diversity and a key contributor to the creation of employment opportunities in the developing and the developed countries.

47. Tourism had emerged as one of the most dynamic and fastest growing economic sectors for countries across the development spectrum, particularly for developing countries. Cultural tourism accounted for 40 per cent of world tourism revenue. International tourism was expected to continue to grow but at a more moderate pace than in the past decade; the number of tourist arrivals were expected to exceed 1 billion by 2012. Such prospects highlighted the urgency of promoting sustainability and integrating culture and development in the tourism sector. UNWTO stood ready to cooperate fully should the General Assembly decide to hold an international conference on culture and development.

The meeting rose at 5.15 p.m.